

# INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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REPORT

COUNTRY Hungary

DATE DISTR. 29 May 1964

SUBJECT Highway Transportation in Hungary,  
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HIGHWAY TRANSPORTATION IN HUNGARY. WARSAW PACT HIGHWAY TRANSPORTATION  
 ADVISORY ORGANIZATION (c)

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HIGHWAY TRANSPORTATION IN HUNGARY, WARSAW PACT HIGHWAY TRANSPORTATION  
ADVISORY ORGANIZATION (C)

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## Introduction

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Separate paragraphs dealing with KPM and non-KPM highway operations make up most of this report. This arrangement was decided upon in order to avoid listing together those enterprises and firms which, while performing similar functions, were subordinated to different ministries or agencies, and thus clearly to illustrate Hungary's current highway transport organizations.

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Listed below are the names and geographic and UTM coordinates of locations used throughout this report. Coordinates are not shown for well-known localities.

<u>Ukrainian SSR</u>	<u>Geographic</u>	<u>UTM</u>
ALSOVERECKE (now NIZHNI-VERECKY, Ukrainian SSR)	(Approximately 40km NNE of MUKACHEVO)	
MUKACHEVO (now MUKACHEVO, Ukrainian, SSR)	N48-27, E22-43	BT-8952
SEVLUS (now VINOGRADOV, Ukrainian, SSR)	N48-08, E23-01	Not Available

Hungary

BEKESCSABA	N46-39, E21-05	ES-0669
MISKOLC	N48-06, E20-47	DU-8428
NAGYKATA	N47-25, E19-45	DT-0552
NAGYVÁRAD	(Now ORADEA, Rumania)	
SOPRON	N47-41, E16-36	XN-1982

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SZENTENDRE	N47-40, E19-05	CT-6581
SZTÁLINVÁROS	N46-58, E18-55	CT-4305
ZALAEGBERSZEG	N46-50, E16-51	XM-4089

#### A. HIGHWAY TRANSPORTATION IN HUNGARY

##### 1. Background

The task of nationalizing Hungary's highway transportation was not an easy one. From the beginning it was necessary to soothe various ministries and high government officials who were reluctant to see their favorite shipping firms caught in a reorganization or a merger. Concessions, some small and some large, were made to pacify those whose cooperation was vital. Instead of helping to consolidate and simplify highway transport, this attitude of conciliation over the ten years from 1947 to 1958 had largely contributed to a nearly opposite effect.

The Hungarian Government adopted the attitude that transport of a national character should be controlled at governmental level, while local or limited transport should be a municipal or district responsibility. Decentralization and delegation of responsibility, however, seemed to work against the aims of nationalization. The concessions made often resulted in creating numerous highway freight transport enterprises, each responsible to a different ministry and, in theory at any rate, each performing a different function. In practice, competition was sometimes keen; stealing business was not entirely unknown, and management and ministry at their levels spent considerable time in plans to undermine one another.

Over the past decade, as these transport enterprises reorganized, expanded, merged, and solidified their positions and power within their respective ministries, two categories of transport emerged as the major contenders for supremacy. One was loosely termed common carriers and was controlled by and subordinated to the Ministry of Transport and Communications (Közlekedési- és Postaügyi Minisztérium - KPM), while the other, which might be termed limited carriers, was made up of enterprises subordinated to ministries other than the KPM.

##### 2. Categories of Highway Transportation

###### a. Common Carriers (közhasználatú fuvarozás)

As used here, this designation referred only to highway transportation activities which were KPM controlled, i.e., bus transportation, extensive freight-shipping operations primarily for hauling bulk produce and commodities, and small-scale and widely-scattered taxi operations. This class of carrier is discussed further in paragraph 3.

###### b. Limited Carriers (célfuvarozás)

This term designates carriers employed by or for a given ministry or industry (the Ministry of Construction, for example), which hauled only one class of interrelated products, such as construction and building materials, dairy products, castings and machined parts. These carriers are discussed in paragraph 4.

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## c. Industrial Carriers (közúleti fuvarozás)

This class of carrier was made up of all the vehicles and vehicle fleets directly employed and operated by industrial plants and business firms for the purpose of making irregular small-lot pickups and deliveries. This class of carrier did not seriously threaten either of the foregoing classes and was included here only to distinguish it from the common and limited carriers. It will not be discussed further in this report.

## 3. VI (Auto Traffic) Main Department of the KPM

## a. Subordination and Organization

This main department was subordinate to László FÖLDVÁRI,<sup>1</sup> who was one of three deputy ministers in the KPM. The main department director was Béla IVÓCS, whose assistant was György HIDASI.

The VI Main Department had a total personnel strength of 71<sup>2</sup> and consisted of the following subordinate departments and sections (figures in parentheses indicate number of personnel):

Executive Group	(4)
Management Section	(4)
Investments Section	(4)
VI/1 Traffic Department	(18)
Freight Section	
Passenger Section	
(Horse-drawn) Wagon Cartage Section	
VI/2 Commercial and Transportation Department	(11)
Commercial Section	
Tariff Section	
VI/3 Technical Department	(11)
General Technical Section	
Traffic Engineering Section	
VI/4 Plans, Labor, and Statistics Department	(9)
Plans and Labor Section	
Statistics Section	
VI/5 Accounting (Főkönyvelőség)	(10)
Finance and Accounting Section	
Audit and Analysis Section	

## b. Mission

The VI Main Department had the over-all mission of serving the nation's truck, bus, and taxi transportation requirements.

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(1) Truck Transportation

Truck transportation was provided by a nation-wide network of freight transportation enterprises (autóközlekedési vállalat-aköv), which shipped bulk and packaged freight and materials, moved furniture, and handled pickup and delivery.

(2) Bus Service

All bus service was furnished by Autobus Service of the Hungarian State Railways (MAVAUT), which was once a part of the Hungarian State Railways (MÁV). The name still retained its association with MÁV although bus service was directed and operated only by the VI Main Department.

(3) Taxi Service

Taxi service, nominally a VI Main Department function, was under the control of the local city council in certain instances. By far the largest concentration of taxis in Hungary was in BUDAPEST, where there were 500 to 600 taxis, all operated by the city council (fővárosi tanács). All the other cabs in Hungary, which probably did not exceed 100, were operated by the various auto transportation enterprises (aköv).

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(4) Freight, Bus, and Taxi Operations

Freight, bus, and taxi operations were directed by the VI Main Department's various staff departments, which performed the following functions in the over-all mission:

(a) Management Section

Edited and published the VI Main Department's official publication, The Auto Transportation Bulletin (Autóközlekedési Értesítő).

Handled the Main Department's legal problems.

Processed individual applications for permission to purchase new or used automobiles or other vehicles.

Published revisions and amendments to the traffic code.

Directed operations of the Traffic Control Authority.

(b) Investment Section

Directed the capital investment activities of all enterprises and agencies subordinate to the VI Main Department and maintained close liaison and contact with the Main Department's Accounting Section and Plans, Labor, and Statistics Department, as well as with the Hungarian Investment Bank. It also examined and forwarded for approval all plans for investment in new or expansion constructions, machinery and vehicle repair.

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(c) Traffic Department

Broke down and allocated the annual, quarterly, and monthly shipping requirements issued by the Central Transportation Council. Prepared and distributed instructions concerning fulfillment of these plans.

Supervised highway operations to prevent and correct deficiencies and bottlenecks. Checked volume and flow of passenger traffic, increased or decreased service, and reorganized existing routes, runs, and schedules.

Arbitrated disputes between enterprises concerning alleged acts of "trespassing" on one another's operational territory.

Established policy and determined procedures to be followed by transportation organizations during air raids or national emergencies. Maintained contact with other interested government agencies. Maintained and oriented emergency teams for stand-by duty (készlet szolgálat).

(d) Commercial and Transportation Department

Directed the policy of shipping and transportation agencies. In coordination with other interested agencies, issued regulations and principles of guidance concerning motor vehicle sales, shipment of restricted materials, and freight and passenger tariff rates.

Acted as advisor to committees and courts of law ruling on business conduct and tariff controversies. Issued explanations of tariff rulings.

Together with the Investment Section and the General Technical Section, participated in development and planning of special-purpose vehicles.

Secured authorizations, clearances, and other documentation necessary for international truck transport and shipping.

Ruled on complaints concerning fees and lost or damaged goods.

(e) Technical Department

Established and defined technical functions performed by subordinate enterprises and agencies.

Conducted engineering evaluation tests on domestic and foreign manufactured vehicles.

Made studies and recommendations concerning acquisition of new vehicles.

Established procedures to insure maximum effective utilization and proper care and maintenance of vehicles.

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(f) Plans, Labor, and Statistics Department

In conjunction with the Investment Section and other interested sections, as well as with other government ministries and offices such as the Ministry of Finance and the National Planning Council (Országos Tervhivatal, OT), prepared the Main Department's annual plan in quarterly breakdowns. This encompassed detailed planning of capital investments, supply of materials, labor, production, operating costs, and revenues.

Conducted periodic checks on progress. Each subordinate section submitted progress reports, which explained or justified over- or under-production.

(g) Accounting

Supervised financial operations and checked books of subordinate enterprises and agencies.

Drew up, quarterly and annually, detailed reports showing condition and status of financial operations.

c. Operations

Hungary was geographically divided into six sections known as auto transportation directorates (autóközlekedési igazgatóság - akig), each identified by an Arabic numeral (See Annex A). The directorates were: BUDAPEST (1), PÉCS (2), MISKOLC (3), SZEGED (4), DEBRECEN (5), and GYŐR (6). Each directorate consisted of auto transportation enterprises (akovs), which ranged in number from three in the Debrecen Directorate to nine in the Budapest Directorate. Each enterprise, identified by a two-digit Arabic number, the first digit of which was the directorate designator, consisted of numerous subordinate agencies and operated within clearly established limits.

Auto Transportation Directorate Number 1 (BUDAPEST)

This directorate consisted of the following nine transportation enterprises, numbered 11 through 19, which were in the Greater BUDAPEST area:

Number 11 - Parcels and small-lot shipments.

Number 12 - No information.

Number 13 - No information.

Number 14 - Auto-Transport Enterprise; see (1) below.

Number 15 - All vehicles smaller than 2 tons.

Number 16 - Auto Transport Enterprise; see (2) below.

Number 17 - No information.

Number 18 - Auto-Transport Enterprise; see (3) below.

Number 19 - Located in SZTÁLINVÁROS.

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## (1) Auto Transportation Enterprise Number 14

[redacted] this was the only enterprise in the Budapest Directorate which had larger than 5-ton capacity trucks. The largest trucks in general use in Hungary were a number of pre-World War II Mack and General Motors trucks of about 10-ton rating; most of these belonged to Enterprise Number 14. The maintenance costs of these obsolete vehicles exceeded their usefulness and they were being replaced by the Csepel "700," a 7-ton truck.

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## (2) Auto Transportation Enterprise Number 16 (MÁVAUT)

This MÁVAUT enterprise had the mission of providing bus service from BUDAPEST to GYÖR, ZALAEGERSZEG, PÉCS, SZEGED, and MISKOLC. No long-distance service was operated to either BÉKÉSCSABA or DEBRECEN since both were on major international highways and had good train connections. In addition to the long-distance service, this enterprise was responsible for providing local bus service throughout the Budapest Directorate area. As the nation's largest bus transportation enterprise, it also furnished most of the chartered buses requested by various groups and organizations.

Hungary and Czechoslovakia had an agreement whereby Hungarian buses would take tourists to the Czechoslovak Tatras, while Czechoslovak buses would come south to Hungary's Lake Balaton region. The agreement provided for reciprocal fueling, servicing, and maintenance (minor repairs) en route and at the trip destination.

[redacted] the Number 16 MÁVAUT Enterprise had a fleet of about 130 buses in BUDAPEST, with unknown additional units in SZENTENDRE and possibly elsewhere. Only this enterprise was equipped to rebuild buses completely and performed major overhaul and repair for all MÁVAUT enterprises.

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## (3) Auto Transportation Enterprise Number 18

Taxi-truck service was first inaugurated in BUDAPEST sometime after October 1956 as a solution to the needs of the one-time, short-haul user. This enterprise was assigned the taxi-truck mission, since it only had to install meters in some of its 1- and 1-1/2-ton trucks. This service was inaugurated in 1958 in GYÖR, PÉCS, DEBRECEN, and MISKOLC. On 1 January 1959, the operational control of this enterprise's taxi-truck function was supposed to be transferred to the Budapest City Council (See par 3.b(3)).

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## (4) Domestic Forwarding Enterprise

Also operating within the Budapest Directorate area, but in no way connected with any of the transportation enterprises, was an organization engaged in freight forwarding. Popularly known as BELSPED (Belföldi Szállítványozási Vállalat - Domestic Forwarding Enterprise), it was due, sometime after September 1958, for a reorganization which would have absorbed all BELSPED offices outside the Budapest district into local auto transportation enterprises. The Budapest BELSPED, which probably did a greater volume of business than all the other offices combined, was left intact, but only because attempts to absorb it into the Budapest Directorate would have created a tug of war for power between the various enterprises within the directorate.

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## d. Vehicle Maintenance

For maintenance purposes, the entire KPM transportation organization was divided into two classes: MÁVAUT vehicles and all other vehicles. Each MÁVAUT enterprise, regardless of location, had its own facilities for maintenance and limited repair, but all major overhaul and rebuild work was done only in MÁVAUT's BUDAPEST shops.

The KPM operated a total of nine vehicle repair enterprises, five of them in BUDAPEST, for the purpose of performing major overhaul and rebuilding of trucks operated by the KPM's various shipping organizations. (See Annex A). This organization was known as the Auto Maintenance Trust (Autófenntartó Tröszt).

## e. POL

[redacted] all fuels and lubricants were transported only by highway and rail-way tankers by the Mineral Oil Transportation Corporation (Ásványolaj Forgalmi Részvénytársaság - AFORT).

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## f. Traffic Regulations and Enforcement

Hungary's traffic ordinances were contained in a document issued jointly by the Ministry of Interior and the Ministry of Transport and Communications; it was called Traffic Regulations (Közlekedési Rendészeti Szabályzat), popularly known as KRESZ. [redacted] no other regulation or order, civil or military, [redacted] limited or restricted high-way traffic.

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Traffic supervision and control were the primary mission of the VI Main Department's Vehicle Control Authority (Autófelügyelet), which employed 70 to 80 persons and worked closely with the Ministry of Interior Traffic Regulation Department (Közlekedési Rendészeti Osztály) in controlling and enforcing the provisions of KRESZ, which applied to all vehicles except military. Two-man teams, consisting of uniformed personnel of the Vehicle Control Authority and the Traffic Regulation Department, ordinarily conducted periodic spot checks of drivers, vehicles, dispatches, and bills of lading, and also checked for unauthorized passengers. The Vehicle Control Authority originated citations for violation, and forwarded them to the appropriate ministry or agency.

The six auto transportation directorates also exercised some control, but on a much smaller scale. There was considerable resentment toward the Vehicle Control Authority, since each directorate considered itself quite capable of economically and efficiently policing its own area. The Vehicle Control Authority defended itself by maintaining that it was in a position to operate without bias or favoritism. In order to pacify all concerned, the VI Main Department allowed each directorate to organize a small, two- or three-man, vehicle control section, which, however, had no effect on the operations of the Vehicle Control Authority.

## g. Freight Classification and Tariff Rates

All truck freight was divided into three classes:

Class I - Anything not in Classes II or III,

Class II - Bulk material such as ore, dirt, rock, limestone, grain, potatoes, and sugar beets.

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Class III - Same as Class II, but only when loaded by mechanical means (chute, conveyor, fork lift, power shovel).

In order to clarify the differences between these three classes, it will be necessary to summarize the tariff rate

which included the usual fixed rates, plus special rates and charges for excess waiting time and off-the-road operations. Fixed rates were based on type of vehicle and class of material, but always included an unloading time factor, which was based on the weight of the shipment. Therefore, Class I material was allowed more unloading time per unit of weight than was Class II and in turn Class II was allowed more unloading time than Class III. Fixed rates were computed on time or distance, whichever was more; this, together with the elaborate and often confusing system of special rates and charges, made the entire system unrealistic and impractical.

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Since about 1956, efforts had been made to revise and put a new tariff regulation into effect. The work of revision was disrupted by the uprising in October 1956. the effective date of the new tariff was postponed several times.

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The new rates were considered more practical and realistic in terms of current prices and were much less complicated than the involved and obsolete system they were designed to replace.

#### h. Training and Research Facilities

The VI Main Department operated a traffic management and driver training school (autóközlekedési tanintézet) in BUDAPEST, which trained drivers, personnel in traffic management and control, and vehicle maintenance supervisors, primarily for the KPM, but also for other ministries and agencies.

the following traffic management courses offered: 50X1-HUM

Management (tisztai tanfolyam) - 10 months

Administration (tisztviselői tanfolyam) - 5 months. In theory, the management course was for persons who had completed the equivalent of gymnasium, while the administration course was for non-gymnasium graduates. Party politics most frequently determined who would attend which course. The number and level of courses completed by an individual seldom had any real bearing on his job status or position.

Conductor-Ticket Collector (kalauz) - 3 months

Dispatcher (menetirányító) - 6 weeks

Freight Shipping (darabárús tanfolyam) - 6 weeks

Vehicle operation included courses designed to teach sedan, truck, bus, and motorbike operation. In addition, a course of about 3 months' duration, devoted to the subject of vehicle maintenance supervision, was attended by managerial personnel of transportation and vehicle repair enterprises.

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Before the October 1956 uprising, resident instruction was given at this training facility by full-time personnel of the VI Main Department. When, in early 1957, this main department underwent a 50 percent reduction in force, several of the dismissed personnel were hired as full-time instructors at this traffic school.

The Auto Transportation Scientific Research Institute (Autóközlekedési Tudományos Kutató Intézet - ATUKI) in BUDAPEST, was engaged in solving automotive and traffic engineering problems and [redacted] was working on a project concerning restrictions of highway transportation of inflammable, incendiary, explosive, or toxic materials. [redacted]

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#### 4. Other Highway Carriers

##### a. Domestic Trade Transportation Enterprise (Belkereskedelmi Szállítási Vállalat - BSZV)

[redacted] this enterprise, subordinate to the Ministry of Domestic Trade, had numerous general cargo and van type trucks, and [redacted] it began receiving some special-purpose vehicles (bread delivery vans, for example).

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##### b. Transportation Enterprise of the Ministry of Construction (Építésügyi Minisztérium Szállítási Vállalat - EPFU)

The vehicle fleet of this enterprise consisted mainly of general cargo and 5-ton side-tilting dump trucks.

##### c. Machine Industry Transportation Enterprise (Gépipari Autófuvarozó Vállalat - GAFU)

[redacted] this enterprise [redacted] was subordinate to the Ministry of Heavy Industry.

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##### d. Dairy Industry Transportation Enterprise (Tejipari Szállítási Vállalat)

This enterprise used tank trucks for transporting milk in bulk. [redacted]

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##### e. Cooperative Transportation Enterprise (Szövetkezeti Szállítási Vállalat - SZÖVAUT) 5

This enterprise's vehicle fleet was composed largely of vehicles released by KMP as no longer serviceable.

##### f. Capital Freight Transportation Enterprise (Fővárosi Teherfuvarozó Vállalat - FÖTEFU) 3

Under the direct control of the Budapest City Council, this enterprise operated in the Greater BUDAPEST area.

All the enterprises mentioned above, KPM as well as non-KPM, operated under the tariff regulations established by the VI (Auto Traffic) Main Department. [redacted] only one organization [redacted] operated

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under its own tariff regulations: The National Farm Tractor Stations (Állami Mezőgazdasági Gépalomák - AMG), originally established as centers for agricultural machinery and trucks, which, in the past few years, had begun to engage in limited trucking activities.

#### 5. Soviet Influence on Transportation

[redacted] Soviet influence on highway transportation in Hungary [redacted] was there, but [redacted] it was exerted subtly. As occupiers of Hungary, the Soviets had observers and advisors at all levels of the government. As relations improved and Hungary began to accept the USSR as the model government, these advisors exerted more and more influence; they exercised no authority, but merely pointed out differences in the way of doing things. The implication was that the invincible USSR had single-handedly defeated the Fascists, and, therefore, it was logical to assume, [redacted] had the best organization.

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Thinking along these lines, and discouraged at Hungary's lack of stature as a progressive and advanced nation, the Hungarians were prone to pattern their organizations exactly after the Soviet model, even though the Soviet model might have been designed to administer an area larger than all Hungary, with twice the population. Since about 1953, Hungary's leaders had begun to realize their mistake and were modifying and reorganizing to conform to conditions in Hungary.

#### B. WARSAW PACT HIGHWAY TRANSPORTATION ADVISORY ORGANIZATION

[redacted] about summer 1956, a Soviet-sponsored agency was formed in WARSAW, Poland, for the purpose of effectively and efficiently organizing, planning, and using the highway transportation capabilities of member nations of the Warsaw Pact. This organization was called Highway Transportation Organization of the Peace Camp Nations (A Békétábor Országainak Közúti Közlekedési Szervezete). [redacted] a similar organization, dealing with railroad transportation, was organized in WARSAW in 1955.

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[redacted] Organization for the Cooperation of Socialist Railways (OSShD) could very well be the counterpart of the highway organization mentioned.

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Since 1956, the highway transport organization held three annual conferences attended by delegates from all the Warsaw Pact nations, plus observers from Red China and North Korea. The first two conferences were held in SOFIA, Bulgaria, during the summers of 1956 and 1957; East BERLIN was the site of the spring 1958 conference.

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At the 1958 conference, Hungary was assigned to study freight traffic. Béla IVÓCS was in charge of this project [REDACTED]

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In summer 1958, László FÖLDVÁRI, the deputy minister under whom the VI Main Department was subordinated, appointed Dr. Albin VIKTOR as Hungary's permanent delegate to this highway transportation organization.

In late spring or early summer 1958, [REDACTED] the Bulgarian delegation, which was en route to the East BERLIN conference. [REDACTED] stopped off in BUDAPEST and was entertained by leading persons in the VI Main Department. [REDACTED]

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C. PERSONALITY SKETCHES

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NAME: László BENKÓ

RANK OR Dr of Political  
TITLE: Science

ARM:

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NAME: Imre CSISZÁR

RANK OR  
TITLE:

ARM:

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NAME: Imre VEROSZTA

RANK OR  
TITLE:

ARM:

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NAME: Albin VIKTOR

RANK OR Dr. of Political  
TITLE: Science

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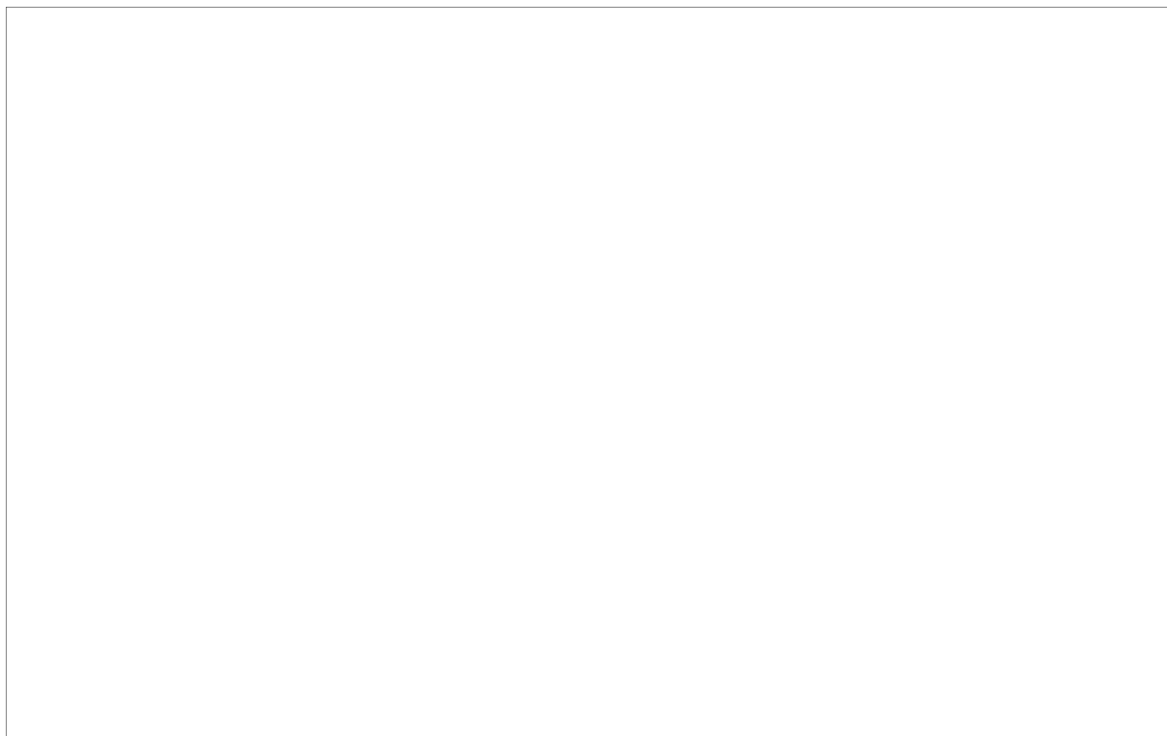
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NAME: Antal SZENTASKÓ

RANK OR  
TITLE:

ARM:

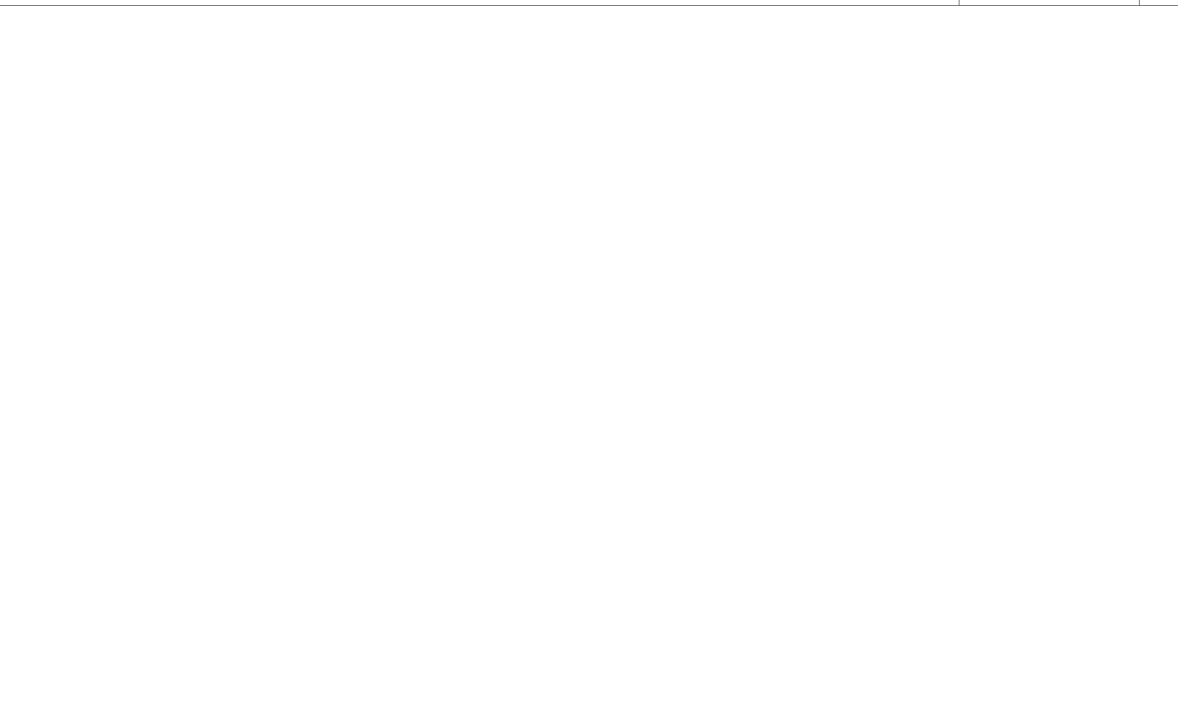
50X1-HUM



NAME: Tsek DRAGANOV

RANK OR  
TITLE:

ARM:



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✓ *CONFIDENTIAL* -19-



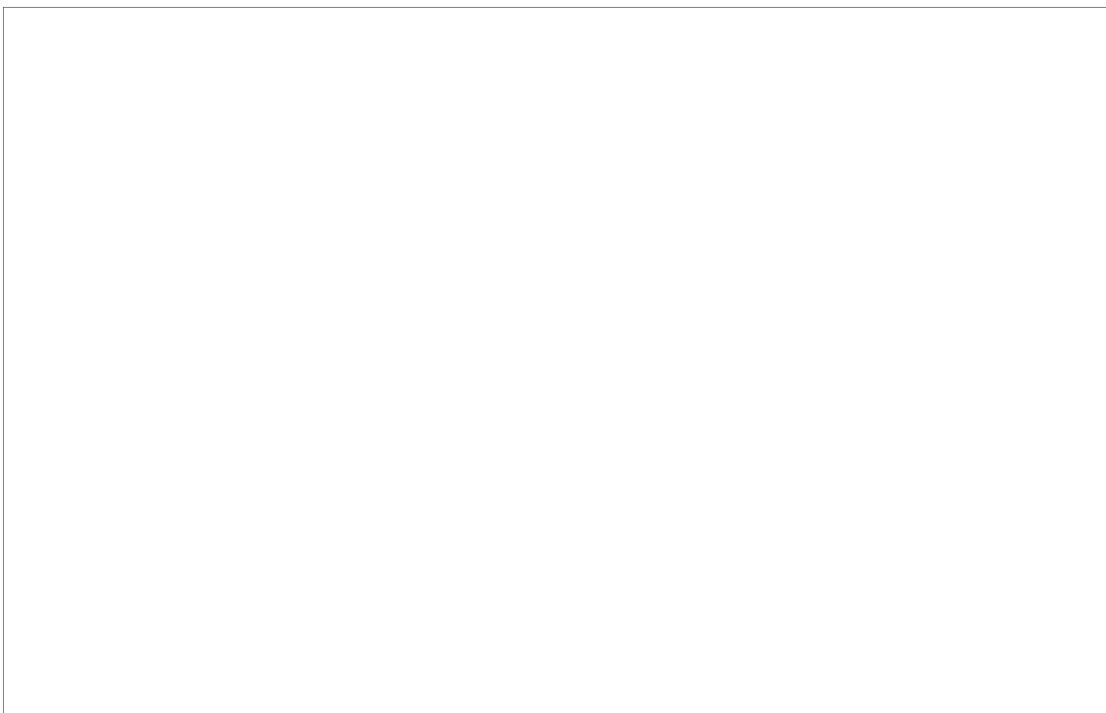
50X1-HUM

NAME: MELAMET

RANK OR  
TITLE:

ARM:

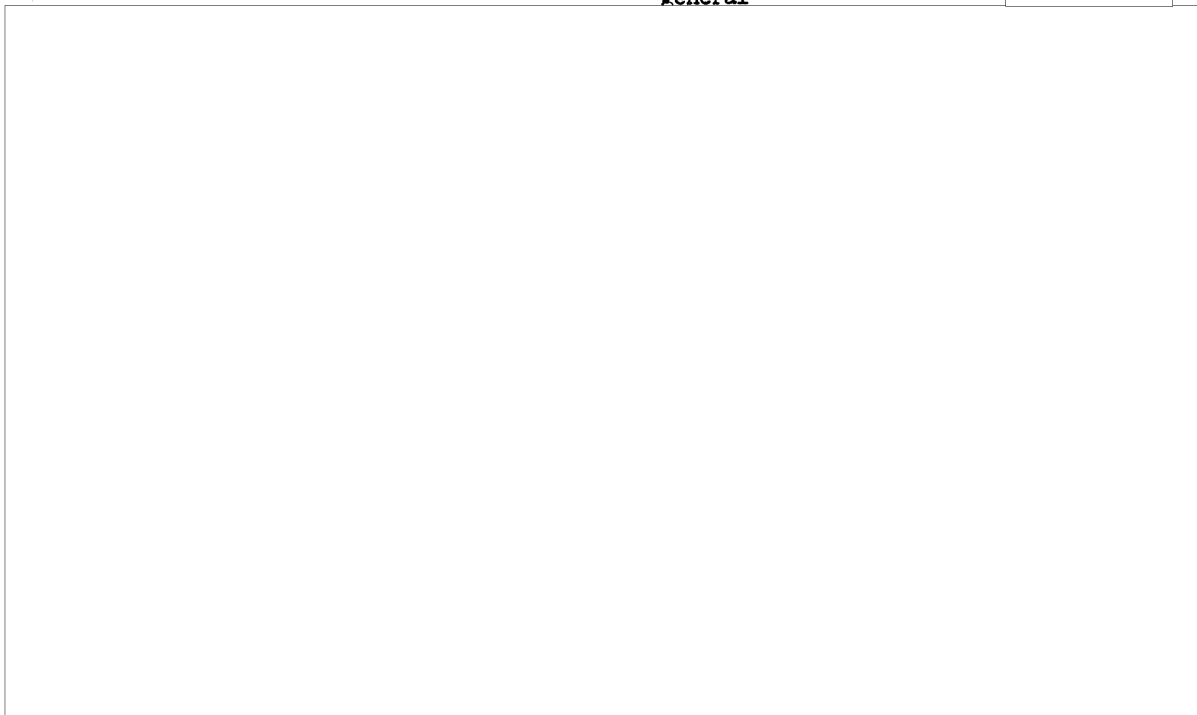
50X1-HUM



NAME: VINAROV

RANK OR  
TITLE: Probably  
general

ARM:



*CONFIDENTIAL*

CONFIDENTIAL

-20-

50X1-HUM

50X1-HUM

COMMENTS:

2. This figure includes only those personnel who were legitimately staff; it does not include the personnel assigned to the Vehicle Control Authority (par 3, a).

3. There was a picture of several parked light trucks on page 7 of the Hungarian daily, Esti Hirlap, Thursday, 25 December 1958 with the caption: "The Capital Freight Transportation Enterprise has received 50 new 3/4 ton taxitrucks, which will ease the public's shipping problems."

4. On Saturday, 14 February 1959, there appeared in the newspaper, Népszabadság, page 3, an article entitled "The Auto Transportation School Is Ten Years Old." There follows a translation of the article:

The Auto Transportation Training School came into being in 1949, ten years ago. Today, besides the drivers courses, 13 specialized courses are offered. Five thousand drivers are trained each year at the Budapest facility and in the rural courses. In our picture, Instructor István SCHATZL orients his students on rules of highway traffic during a class on traffic control.

COMMENT:

50X1-HUM

5. According to current telephone directories, this should be Középmagyarországi Földművelésügyi és Szállítási Vállalat (SZÖVAUT), Budapest VII, Dohány utca 43.

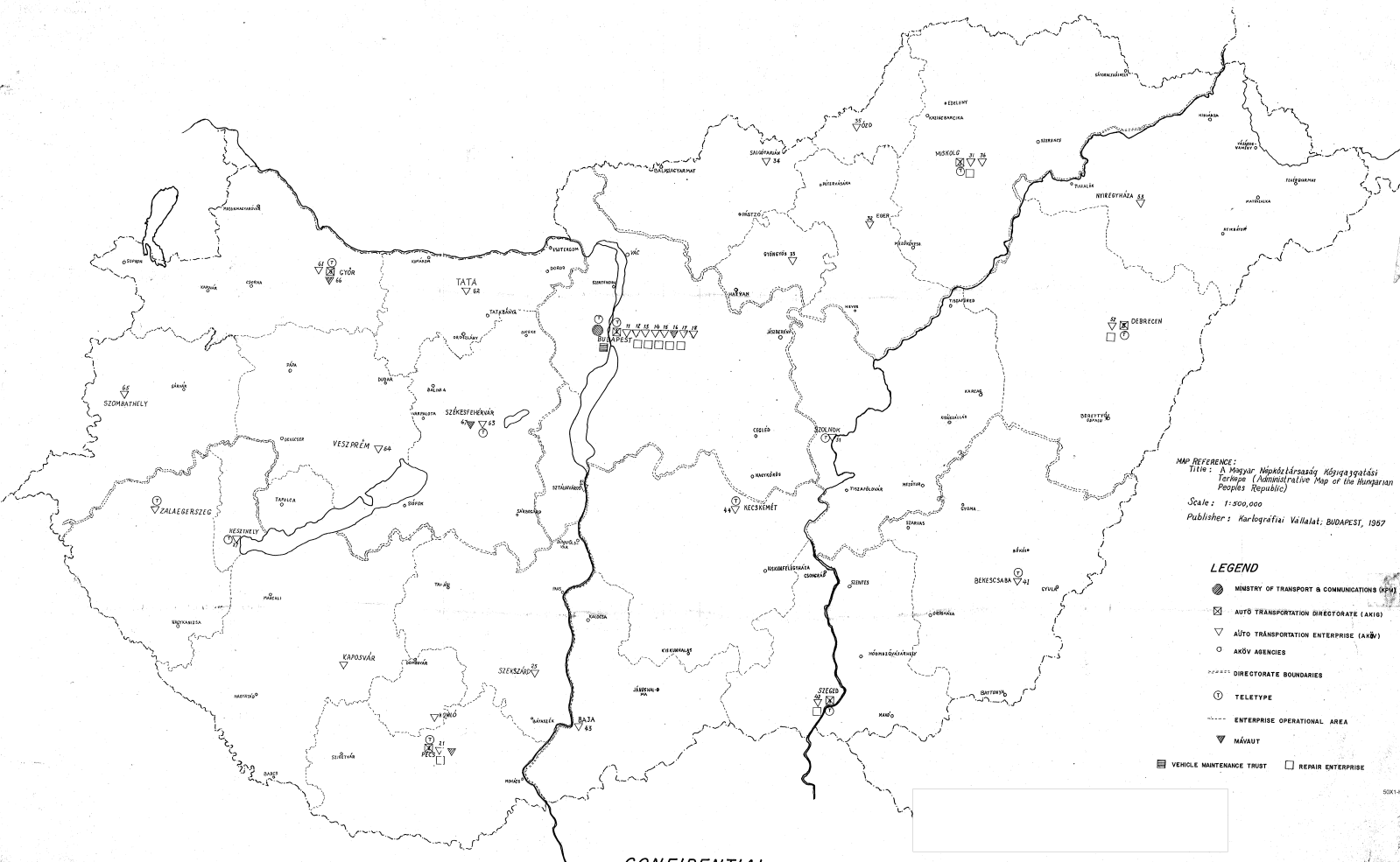
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# ANNEX A

OPERATIONAL AREAS AND LOCATIONS OF HIGHWAY TRANSPORTATION  
AGENCIES OF THE HUNGARIAN MINISTRY OF TRANSPORT AND COMMUNICATIONS



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